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DRUG STORE NEWS

Vol. 9/No. 21 **Serving chains, wholesalers and high-volume independents for 58 years.** Published by Lebhar-Friedman Inc.* October 26, 1987

Ziegler gets nod as NACDS president

NACDS president Bob Bolger (r) passes the mantle to Ron Ziegler (l) at press conference with chairman Jack Robinson.

BOCA RATON, Fla. — Former White House Press Secretary Ronald Ziegler was tapped by the board of directors of the National Association of Chain Drug Stores to replace retiring NACDS president Robert Bolger.

In announcing the appointment, NACDS board chairman Jack Robinson called Ziegler "an exceptional individual with an outstanding record of service in both the public and private sectors. We think his knowledge of both the business and governmental communities will allow him to be highly effective as the president of NACDS."

The first official word of Ziegler's selection came during a hastily-scheduled press conference at the Boca Raton Hotel and Club within hours of his approval by the association's board.

In response to questioning from the drug store industry trade press, Ziegler said that although his appointment does not formally take effect until January 1, he will be working closely with Bolger during the coming weeks to ensure a smooth transition.

Although Ziegler comes to NACDS with experience in trade association management--since 1980 he has served as president of the National Association of Truck Stop Operators—he is more widely remembered as the embattled press secretary to Richard Nixon during the Watergate era.

During the press conference, *Drug Store News* asked whether Ziegler's association with the Nixon White House during that controversial period may affect his ability to rep-

See **Ziegler,** *page 79*

Safeway Stores cuts back in wake of costly buyout bid

Pharmacies in Safeway supermarkets, by market

Former markets	Number of in-store pharmacies
Safeway division	
Dallas	74
Salt Lake City	30
El Paso	22
Current markets	
Houston	65
Denver	63
Eastern (Washington, D.C.-Richmond)	44
Oklahoma	36
Southern California	34
Northern California	15
Portland, Ore.	33
Seattle	24
Kansas City	16
Little Rock, Ark.	14
Phoenix	4
Total current market only	348
Grand total	474

Source: Safeway Inc.

This is the first installment of a two-part series. Additional coverage will appear in the next issue of Drug Store News.

By James Frederick

OAKLAND, Calif.—Like a huge army after a decisive battle, Safeway Stores is folding its tents on many fronts and pulling back toward more friendly confines in a massive, protracted retreat. It is certainly the story of the decade for the supermarket industry, and a big one for the drug store trade as well: the nation's largest food retailer, billions of dollars in debt, shrinking by hundreds of stores and abandoning some of its biggest markets in the wake of a costly takeover defense.

Eventually, the chain may shrink by as much as one-third or more. It has already left the key markets of Dallas/Fort Worth and Salt Lake City, and will soon be out of El Paso and, according to reliable local reports, Oklahoma City. Other markets will follow.

The implications of Safeway's re-

See **Safeway,** *page 79*

Marquee at New York's Sheraton Centre welcomes guests to REX Awards gala.

DrSN's *REX Awards gala* plays to packed audience

NEW YORK—*Drug Store News* presented its REX Awards for Excellence at a gala dinner held earlier this month before a jam-packed audience in the ballroom of the Sheraton Centre Hotel here.

More than 500 retailers, wholesalers and manufacturers turned out for the Third Annual REX Awards Dinner to learn the names of winners selected through an industry-wide voting pro-

See **REX,** *page 4*

Dworkins join Carl's 45-unit LBO

ROME, N.Y.—Sidney Dworkin and his son Marc will join Carls' management in the leveraged buyout of the 45-store chain from Revco, parties confirmed.

Also, Marc Dworkin will sit on Carls' board, once Salomon Bros. completes the sale announced in early September.

"They were invited [to participate in the buyout] because it was felt it would be good for Carls. They have a very good reputation in the drug industry," said Tod Bogan, Carls' senior vp-operations, and the buyout leader.

Marc Dworkin, who had served as Carls' president and Revco's executive vp, confirmed that he and his father will invest in the buyout, adding that his father might also sit on the board.

Parties have declined to reveal details of the LBO, which is still being structured and scheduled for year-end completion, and Dworkin said it isn't possible to say what share of the chain the Dworkins will own.

Sidney Dworkin, former Revco chairman, and Marc Dworkin resigned last month and severed connections with Revco. The chain's board, including directors from the majority investors in Revco's 1986 LBO, announced the appointment to chairman and ceo of Boake Sells, the former Dayton-Hudson president and coo.

'Budd' Dworkin returns to retailing with Jax purchase

CLEVELAND—Elliot "Budd" Dworkin, who left Revco as senior vp-marketing in 1984, has re-entered retailing with his purchase of the two-store Jax deep discount business from Fisher Foods.

Dworkin, through a compa-

See **'Budd',** *page 79*

LATE NEWS

- BESSEMER, Ala. — In a long-awaited move, Big B will enter the Atlanta market beginning early in 1988. The chain will open six to eight drug stores in the city next year, vp-operations Bobby Little said.
- PHOENIX, Ariz. — SupeRx Corp. has purchased three Walgreens drug stores in Alabama, boosting its store total to 12 units in that state. The chain, which was created through Gerald Wolken's acquisition of 49 SupeRx drug stores from Kroger Co., also operates 28 units in Arizona and 10 units in Georgia.
- OAKLAND, Calif. — Safeway Stores Inc. has agreed to sell its Oklahoma division to a new firm created by New York-based LBO specialists Clayton & Dubilier. The deal, terms of which were not disclosed, includes 106 supermarkets in Oklahoma, southern Kansas and Texas, three supply plants and one distribution center. The agreement is contingent upon a new labor contract.

NEWS IN BRIEF

Gallagher leaves Perry Auto Works

PONTIAC, Mich. — Jack Gallagher has resigned as president of Perry Drug Stores' Auto Works division to pursue other interests, ending a three-year association with the chain. Perry has named Peter Murray, former vp-corporate planning and development, to head the division, which operates 240 discount auto parts stores in eight Midwestern states.

Gallagher, 51, was general manager of Corvairs when Perry acquired that 47-store chain in 1984.

Murray, 46, joined Perry after working with Federated Department Stores and Dayton Hudson's Target Stores division.

Perry chairman Jack Robinson credited Gallagher for "a good job in integrating and consolidating all the auto parts stores we acquired in the last two years," and for successfully consolidating three auto parts warehouses into a single center.

Segneri quits Begley, was senior vp

RICHMOND, Ky. — Orlando F. Segneri, senior vp-retail operations at Begley Drugs, resigned Oct. 1 after six years with the chain.

Robert Begley, chairman, said the post won't be filled immediately.

A former Walgreen's district manager, Segneri was at one time responsible for all areas of Begley's drug store purchasing, merchandising, operations, marketing, and advertising when he took the senior vp post in 1981.

As the Begley company grew during the 1980s, the chain's drug merchandising and marketing duties were separated out. James Davenport oversaw those functions for a year and half, until July 1986, when he was replaced by Mitch Jacobs, vice president of merchandising and marketing.

"He was interested in pursuing personal goals," said a Begley spokesman, explaining his resignation.

Begley has been reorienting its drug business after a year in which earnings have been battered by write-offs on inventory and receivables.

The chain has launched new formats for its drug stores and home health care stores, as it tries to strengthen and focus an image as a community health care provider.

McNamara gets Alco Health prexy post

VALLEY FORGE, Pa. — Alco Health Services, the nation's fourth-largest drug wholesaler, has named chief operating officer John F. McNamara to the additional post of president.

McNamara joined Alco in 1981 as president of its Kauffman-Lattimer operation, then was named executive vp of Alco in 1984. He became coo two years later. He had been with McKesson since 1957, eventually rising to the presidency of Valu-Rite Pharmacies.

Donald Fox, ex-Perry prexy, gets Beauty Brands post

Donald Fox

SOUTHFIELD, Mich. — Donald Fox, former president of Perry Drug Stores, has been named president of Beauty Brands Group, based here.

The 54-year-old retail veteran will work with chairman Barry Fleischer running Beauty Brands' day-to-day operations.

Fox will also be heading up expansion and acquisition efforts.

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Vol. 9, No. 21 October 26, 1987

Dave Bush

Joe Decker

Mary Baker

Jim Kyle

Buyers plan, seek service at Associated/Affiliated Show

NEW YORK — Chain drug store buyers worked the corridors of the Sheraton Centre Hotel during the Associated/Affiliated Fall Buying Show here to plan their spring/summer '88 programs, iron out servicing problems one-on-one with vendors, and add last-minute items for Christmastime.

"It's of tremendous benefit to us," said Dave Bush, vp and general manager of Reasner Drugs in Indiana, who was looking for spring/summer sundries as well as Christmas fill-ins. "We need the input to add to our programs, and it gives the smaller guy the opportunity to work with larger vendors. If we do have problems, we can get them straightened out."

Joe Decker, president of five-store Richardson's Pharmacy Inc., based in Ann Arbor, Mich., liked a piano watch as a novelty under-$6 stocking stuffer, but was mainly planning for Easter, spring and summer. "We're looking for items we can sell on a seasonal basis," he said, explaining that his stores cultivate a high seasonal profile, using space some chains might fill with promotionals to be first on display with a broad variety of holiday/seasonal items.

Other items that caught buyers' attention included a tackle box-like cosmetics organizer retailing for under $10 from Caboodles of California, Barbie and GI Joe floor displays, a blister-packed disposable nail enamel from Loujené for 59 cents and a blunt-edge $1.29 Pumpkin Kutter, for children to carve with.

Mary Baker, cosmetics buyer for Indianapolis-based Hook Drug, was at the show, "doing what I always do: trying to see everybody here." Baker noted that the show is a good place to work out problems with vendors because "the people at the show are at a different level from those who call on you."

But she said she and some buyers she had talked with see a redundancy between the Associated/Affiliated show and the NACDS Marketplace Conference (held in June in Minneapolis). The same vendors are at both shows, she said, adding that, for her, the NACDS show is more productive.

Gary Lefferts, president of Austin Drugs, disagreed. "I feel NACDS is more of a conference and this is more a pure buying show," he said. "This show has continuing value."

Although vendors did not appear to be using the show to launch many major items, there were some new products on view, such as "Bigmouth," a portable garbage bag holder being test-marketed in the $6.95-$8.95 price range at Perry in Flint, Mich.; Lane Drug in Toledo, Ohio; and Fay's in Buffalo, N. Y.

Some 175 vendors exhibited at the show held Oct. 11-14, which drew about 200 buyers.

L.A. stores dig out from quake

Several aftershocks complicate damage assessment

By Pamela Krein
Reported by Margie Mewshaw

LOS ANGELES — Area drug stores are still assessing damage from the earthquake here this month which scared employees, ruined merchandise, and forced store closures.

Although the initial Oct. 1 earthquake—at 6.1 on the Richter Scale—caused most of the damage, area drug stores experienced further problems from the countless aftershocks that continued to shake the Los Angeles area days later. Most stores, however, said they avoided any personal injuries, since they were not open when the first quake hit at 7:42 a.m.

Ceiling tiles fell, cracks appeared on walls, and windows broke at Clark Drugs in El Monte. Store manager Ray Magro said the store was littered with broken liquor bottles and spilled merchandise, and the store had to close the entire day of the initial quake.

Another Clark Drugs in Temple City experienced extensive quake damage, and required help from other chain employees. Pat Russo, store manager of Clark's Covina store, said he made several trips to the Temple City site to help clean up the damage.

According to Russo, the liquor department was totalled, and overall there was "more (merchandise) on the floor than on the shelves." Approximately 100 ceiling tiles fell, and a construction crew worked overnight to shore up damage so the Temple City store could open the next day.

Best Buy Drugs in Pasadena also closed for a few hours after the first quake, where again damage was especially apparent in the liquor department.

Quake damage hampered drug store sales for days, as shown at Best Buy, Pasadena, Calif.

Store manager Preston Walrith said the initial quake destroyed about $3,000 worth of inventory at cost, while the largest aftershock ruined another $1,000.

Although he said it was hard to estimate the sales lost during the time the store had to close, Walrith said he did notice a minor sales increase, when customers came in anxious to fill scripts in case another quake hit. Over a week after the first tremor, Walrith said the store was still working to get "back in a mode of where we were before."

At Longs in La Habra, only minor quake damage resulted, enabling the store to keep its doors open during regular hours. According to manager Pete Opsteegh, customers have been "picking up first-aid kits . . . stocking up for the future until they forget about it."

Correction

In the Sept. 14 issue, *Drug Store News* erred in reporting that "Ansell has capitalized" on recent reports of condom failures by introducing "a thicker" LifeStyles condom. In fact, LifeStyles Extra Strength condoms have been in the research, testing and production stages for well over six months, long before the recent condom recalls. In addition, the product is not "a thicker" LifeStyles condom, but it is an extra strength condom.

TRENDS

Pro products, styling aids pace hair care growth

Chain drug store buyers report that professional hair care products, mass-market styling aids, and quality-priced salon-image shampoos are their fastest-growing product segments, according to a *Drug Store News* survey.

Leading professional hair care brands include Stiff Stuff, Aussie, TRESemme and All Set; hot mass market styling aid products include Studio Line, the Jheri Redding spritz, the Vidal Sassoon styling aids, the Clairol Condition styling aids, Condition, Suave, Flex and Alberto mousse, Dep and Dippity-Do gels; and the quality priced shampoo brands with either a salon heritage or image count Pantene, Vidal Sassoon, Jheri Redding and Jhirmack among their ranks.

Chain drug store hair care buyers also say that certain mid- and lower-priced mass market brands are also doing well, particularly Finesse, Flex, Head & Shoulders, Suave, Ivory, Neutrogena, Pert, Prell, Aqua Net, Halsa, Wella and Johnson & Johnson's baby shampoo.

Competitive Pricing

With dollar growth in the shampoo and conditioning segment in drug stores still coming primarily from high- and low-priced brands, several chain drug store hair care buyers are now speculating that it is possible that drug stores are not being competitive enough on their mid-priced shampoos and conditioners. Several buyers reported that their stores sell these brands for between $2.50 and $2.99, while a Wal-Mart or a K mart will have them for $1.99 or $2.19.

One buyer, for example, says his sales of Ivory are hampered by just such a problem. "It's very hard for me to match Kroger's price on that brand," he says. "I'm too high and I can't compete on price."

Begley Drug

At Begley Drug in Kentucky, hair care buyer Ralph Kinder reports that Salon Selectives, the new line from Helene Curtis, and TRESemme, the 20-year-old professional line that Alberto Culver is now putting into retail distribution, are both doing well.

Textra from LaMaur, he says, is starting slow but should gain momentum once consumer ads begin breaking.

"We ran Salon Selectives in an ad recently," Kinder says, "and it sold exceptionally well. But I have to admit that it was a very good buy for the consumer. We sold it for $1.50 and the manufacturer offered a $1.50 rebate so the consumer essentially got it for free.

"The true test will come when it's time to repurchase. We'll just have to wait and see how well it does then.

"TRESemme has been available as a salon brand for a long time, and it's doing fairly well for us, and this is before we're seeing any consumer ads."

Textra, says Kinder, has "exceptional packaging, but I think its sales potential will ultimately depend on how many people will want to admit to themselves that they have limp hair.

"We're preparing to break our first Textra ad soon, and I think sales will be good, but I can't guess how strong the brand can become."

Kinder also thinks that Salon Selectives may be handicapped by its niche positioning.

"I trust the Helene Curtis name and I think it's a quality product, but the package labeling may be confusing to consumers. Using alphabet labels to indicate which formula is needed for specific hair types may turn the consumer off. Shoppers don't like to spend a lot of time reading labels."

The Jose Eber line from Fabergé was on order, but not in the Begley stores at press time.

However, Kinder says he thinks the line "will do fine for us." The $6 average retail price point for the line didn't faze Kinder at all. "I'm looking to attract the specialized high price point shopper. I think there's a strong market for quality products that promise above-average performance.

"In my stores, I'm getting my best growth from my high price point hair care brands and from my low-end brands. The middle priced brands aren't growing at all for us, and that's because the consumer who can afford it is looking for the best products to put on their hair and skin."

Best Performers

Right now at Begley Drug, Kinder says the best performing brand in his hair care line is Pantene. "Pantene has done exceptionally well for me," he says, "But P & G's Beauty Care Division has just taken it over from the P & G Richardson Vicks division, and we'll have to see what happens now.

"I like the fact that Vicks kept the price points up. The brand was selling for between $3.29 and $3.79 at retail, and that's the positioning I want. It helps increase dollar volume in the category and it lets me make a profit on a category that comes close to being a commodity."

Segment Growth

Kinder says the mousse category has run out of steam. "People are not sampling all the different mousses that come out anymore," he says.

"The fringe brands are dying out, and people are basically buying just four or five brands."

In response, Kinder has cut back SKUs in the mousse segment and now gives space just to the four best-selling brands in that segment.

The space that's been taken from mousse is now going to gels, spritzes and other styling products. "I've given about two feet more to that segment," says Kinder, "and all of that space came from the mousses."

Kinder says the Studio Line of styling aids products from L'Oreal is performing particularly well in his stores, especially the latest line extension, the L'Oreal Studio Line Spritz, which Kinder says is selling "exceptionally well."

Also doing well is Stiff

Continued on page 13

Teens, willing to experiment with new styles, are a driving force behind hair care product introductions.

Hair care: retail dollar sales by category segment
(drug, food & mass merchandise stores)

	1986 $ sales (millions)	% change	1st half 1987 $ sales (millions)	% change
Shampoos	$1,226	1%	$ 633	3%
After shampoo/conditioners	683	2	339	2
Sprays	525	10	301	10
Color	434	9	247	6
Ethnic	285	(2)	125	(6)
Mousse	144	0	83	(13)
Men's preps	133	5	67	(3)
Home perms	128	7	64	(2)
Total hair care	$3,459	3%	$1,859	2%

With the exception of Consort, mass market retail sales of professional hair care products are not included in this chart.
Source: Nielsen Marketing Services

Hair care sales trends

	1st half 1987 $ sales	% change		
		Drug	Food	Mass Merchandisers
Shampoo	$173	0%	1%	11%
Color	130	3	16	6
After shampoo/ conditioners	121	(3)	3	8
Sprays	87	6	10	17
Ethnic	75	(9)	0	(4)
Perms	31	(8)	1	5
Mousse	28	(22)	(7)	(10)
Men's preps	25	(4)	(1)	(6)
Total	$671	(2%)	3%	8%

Source: Nielsen Marketing Services

Hair care TRENDS

Hair care, No. 2 H&BA category, has flat growth

Hair care is the second largest dollar volume category in the health and beauty aids market segment, but it is not a category that enjoys great growth.

According to A. C. Nielsen, the entire category was only up 3 percent in dollar sales in 1986, and for the first six months of 1987, it was only up 2 percent.

However, although the total category is flat, there are growth segments within hair care, as well as growth brands.

Profesional hair care brands, for instance, are showing dramatic growth in the mass retail market, and so are styling aids and hair coloring products.

This year, the most dramatic growth segment within hair care is the professional hair care category.

Using the most conservative estimates from the manufacturers and distributors of professional hair care products, the dollar sales of professional hair care brands like Stiff Stuff, Aussie, All Set and TRESemme were up 18 percent in 1986, and they are up a mimimum of 25 percent so far this year.

The traditional mass market hair styling products like the L'Oreal Studio Line gel, the Jheri Redding Spritz, Clairol Condition, Revlon's Flex and Helene Curtis's Suave are also showing strong growth.

Manufacturers and retailers are estimating that gels and other styling aids like spritzes are up more than 20 percent so far this year in dollar sales.

According to A. C. Nielsen, however, the mousse category, which really ignited the hair styling category three years ago, is down so far this year. Nielsen says total mousse sales were off by 13 percent for the first six months of 1987. Hair care buyers say that just the top three or four major brands are still showing growth in this category.

Nielsen also identifies two other growth segments in the hair care category. The hair coloring category, which enjoyed a 9 percent dollar volume growth rate in 1986, is up another 6 percent so far this year.

Hair sprays, which grew by 10 percent in 1986, are up 10 percent in dollar sales to date.

Shampoos and conditioners, however, which do about 57 percent of the total category's sales, are flat again this year. Nielsen says that for the first six months of 1987, shampoo sales were up just 3 percent and after-shampoo conditioning sales were up a slight 2 percent.

In the drug store industry, hair care buyers say they can still generate growth from the category, but the most dramatic growth is coming from the relatively new mass retail product segments like gels and spritzes, and from the professional hair care brands, which have been around for years, but which are now becoming both more fashionable and acceptable to consumers, and more accessible to mass market retailers.

Drug store share of hair care retail sales

	1986	1987
Shampoo	28.2%	27.3%
After shampoo/conditioners	37.6	35.8
Sprays	30.1	29.0
Color	54.5	52.9
Ethnic	61.9	60.0
Mousse	37.6	33.9
Men's hair preps	37.3	37.0

Source: Nielsen Marketing Services

Buyers who carry professional lines say their best selling brands this season are items like the Stiff Stuff styling aids, All Set hair sprays, TRESemme styling products, and the professional hair conditioners like the Aussie 3 Minute Miracle and Infusium 23 hair treatments and shampoos.

Also selling well are the salon style popular shampoos and conditioners like Pantene, Jheri Redding and Vidal Sassoon, and certain brands in men's preps like Consort and Vitalis.

Just beginning to sell well are buildup remover shampoos, also called citrifiers because they remove the residue or build-up that is left on the hair by the styling aids and fixatives that are so popular today.

At the mass level, Neutrogena and Vidal Sassoon shampoos and conditioners are doing well in this segment, and at the professional level so are such brands as the Australian Hair Citrifiers from Redmond.

Most chain drug hair care buyers say they are either adding or expanding sets for professional hair care products and they are also giving more facings to gels, spritzes, and hair sprays. See story on page 00.

Many buyers are also cross merchandising their professional hair care products in their basic shampoo and hair styling departments, in addition to maintaining a serviced professional hair care department.

More chains are also advertising professional hair care brands now, particularly on the West Coast where their mass distribution appears to be the strongest.

In the California market, Mike Edwards of Mercury Distributors/Traffic Creators, Chatsworth, Calif., reports that a recent Pay 'n Save full page ad that featured all professional hair care items generated orders totaling over $400,000.

"That was for just one ad," Edwards marvels.

Food chains are also getting into the act. Edwards also notes that Mercury's sales of professional hair care products to the Alberston's food chain in Boise, Idaho were up 447 percent for their last fiscal year. Mercury's total business to date is itself running 56 percent ahead of last year.

Some drug and food chains are also beginning to use professional hair care product distributors like Mercury as a source for other salon style products such as skin and nail care and treatment lines as well as hair thickening items like Foltene, Folicure and Thick Stuff.

The Freeman Cosmetics Company, for example, just recently signed an exclusive agreement with Mercury to distribute the Freeman line of Signature Salon hair and skin care products in the western part of the United States

But to return to hair care,

Continued on page 21

Retailers size up hair care product sales, segment growth

Continued from page 11

Stuff, a professional salon styling aid product made by Modern Research Laboratories, and which is bought by Begley's professional hair care and cosmetics buyer Billie Carpenter.

"I've never seen an item take off as well as this one", says Carpenter. "We've had this item about a year now, and it's been great."

Professional Hair Care

Both Kinder and Carpenter say that professional style hair care products have been doing well in their stores, and that Begley Drug would like to do more merchandising of professional salon lines.

"We'd really like to expand this section," says Kinder, "because it gives me an extra niche to fill. It lets me be different from the discount chains like Wal-Mart and from the deep discount drugstores.

"I'd especially like to handle the top-selling salon brands like Redken, Paul Mitchell and Sebastian," says Kinder.

Right now Begley has a 4-foot professional hair care set. TRESemme hair spray, which is number one in salon sales, according to the manufacturer, is in this set, and so are products like Redmond's Australian 3 Minute Miracle, Infusium 23, DeMert's All Set, and Modern Research Lab's Stiff Stuff.

Kinder says Begley has had this set for several years and it has done "exceptionally well. We've done a new planogram," he says, "and we're adding more facings of the better sellers."

Begley doesn't advertise the section much, but Kinder says that "just having it in the stores helps us. It gives us a good image. We create the impression that we have good prices because we sell the brands for 20 percent or so less than the salons typically sell them for, and we still get good margins: 35 percent to 40 percent on the professional lines compared to 20 percent to 25 percent on the everyday mass market lines."

Carpenter says that Begley has also just changed the location of the set in the store, and now merchandises the professional lines right next to the regular shampoos.

"We think the set's going to get a lot more attention now," she says.

She also says Begley plans to advertise the department more. "We'll be buying more new items," she says," and we're going to start advertising the professional lines maybe every month instead of just once or twice a year."

Austin Drug

In the New York market, Gary Lefferts, president of Austin Drug, reports that none of the new hair care lines have made any blockbuster impression on the category.

Jose Eber and Textra hadn't reached the Austin stores yet, but Lefferts said Salon Selectives and TRESemme, which Austin carries in its professional set, were both doing okay.

Professional Hair Care

Lefferts says he'd like to carry more professional hair care products, but has a hard time getting the better selling salon lines.

"We've had a 12- to 20-foot professional hair care set for about two years now," Lefferts says, "and sales have been very good, but it's not easy for me as a retailer to get a consistent source of supply on some of these brands. I have TRESemme and Redmond," he says, "and I'd also like to be able to carry a brand like Nexxus every day, but it's just very difficult to get. Some of these manufacturers still prefer to sell exclusively to salons."

Austin's hair care buyer Marlene Isaacson also confirms that Austin's professional set "does very well for us.

"Professional hair has become what nail was a few years ago, a very strong growth category. Women today are just more conscious of their hair, and they don't mind spending extra dollars to get the look they want."

Isaacson also says that the professional brands "have been very profitable for us. The margins are much higher than the margins on the mass market brands."

Austin chooses to merchandise its professional department close to its traditional hair care section. In most stores, one side of an aisle is the professional set, and the other is the regular set.

Best sellers in Austin stores, says Isaacson, are Paul Mitchell, Stiff Stuff, Aussie's whole line, and Pantene.

H.E. Butt Food and Drug Stores

In Texas, H. E. Butt's cosmetic and beauty aids buyer Mary Nell Glitzer reports that overall hair care sales are "very good", and some of the new launches like Salon Selectives are generating "excellent" results.

Helene Curtis supported the Salon Selectives launch with a multi-million coupon drop in H. E. Butt's Texas markets. Glitzer said she took advantage of the coupon activity to run several ads on Salon Selectives and the response was superb.

"The launch got off to a very good start," she said, "and the movement has been holding steady, so people seem to like the line and they're repurchasing it."

At press time, Glitzer had just gotten the Textra line into her stores, but she said that possibly because LaMaur hadn't broken its Textra ads yet, sales were building slowly.

"Once the ads and the coupons break, I think sales will go up," Glitzer said, "but I don't think it'll be as strong as Salon Selectives."

TRESemme has been in the H. E. Butt hair care set for a while now, in their professional products section.

Fabergé's Jose Eber line was also just getting into the stores at press time, but Glitzer was limiting the distribution to just the high-volume "A" Butt stores.

"I think it'll do well," she says of the line. "They're going after the professional customer and their packaging is good. The advertising plans seem strong so I'm expecting good sales."

Glitzer also said she liked the $6 suggested retail price point, but had decided against carrying the one $12 SKU. "I don't think my customers will spend that much," she said.

Best Performers

Glitzer says that Pantene has been one of her best selling lines this year. "Ever since its repositioning last year," she says, "Pantene's sales have really taken off for us."

Continued on page 21

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TRENDS — Hair care

Hair care: new product launches

(Second half of 1987)

Brand Name	Manufacturer	Items	1987 Quarterly Launch Date
Wella	Wella Consumer Products Englewood, N.J.	So Fine Conditioning Mist So Fine Shampoo Mist 2 formulas; 8 SKUS	3rd Q
Propolis	Beehive Botanicals Hayward, Wis.	Shampoo Conditioner "natural nutritive ingredients" 4 SKUS	4th Q
Amitee	Amitee Cosmetics Fountain Valley, Calif.	Moisture Perfect Shampoo Conditioner "ultimate moisture regulation" 2 SKUS: normal to dry	3rd Q
Chris Evert	Chris Evert Cosmetic Distributors, Chatsworth, Calif. marketing for Seasons Inc.	Active Life Shampoo Conditioner	3rd Q
Neutrogena	Neutrogena Corp. Los Angeles	T/Sal Therapeutic Shampoo dual action formula protects against flaking	3rd Q
Dep For Styling	Dep Corp. Rancho Dominque, Calif.	Shampoo Conditioner Body & Control Gel New pack features all 3 SKUS	3rd Q
Alberto VO5	Alberto Culver Co. Chicago	Nutrient Liquid Shampoo 1 SKU	3rd Q
Freeman	Freeman Cosmetics Hollywood, Calif.	Botanical Shampoo Botanical Conditioner Hair therapy & humectant conditioning	3rd Q
Freeman	Freeman Cosmetics Hollywood, Calif.	Papaya Australian Formula Sculpting Spritz.Quick drying, firm holding hair spray 1 SKU	3rd Q
Fanci-Full	Roux Labs, Revlon New York, N.Y.	Color Splash Color & Styling Gel 8 shades that wash in and wash out instantly. Also styles the hair.	3rd Q
Jheri Redding Glossing Products	Jheri Redding Products Edison, N.J.	New 5-SKU line Formula contains "shine promoting agents." Line includes a shampoo, conditioner, gel, spritz & mist.	3rd Q
Goody Mistifier	Goody Products Kearny, N.J.	A hair brush with a sprayer in its handle. Spray in brush can be used to freshen hairstyles throughout the day. Also a new line of "anti-static" brushes: Ultra Lite Blow Styling Brush With Vents; Ultra Lite Professional Style Brush; Ultra Lite Rubber Cushioned Brush	3rd Q
Natural Wonder	Revlon New York, N.Y.	Streak-It Brush-On Instant Hair Color New line of bold streak or brush on colors.	3rd Q
The Formula	Jason Natural Products Culver City, Calif.	Thinning hair treatment for men & women. SRP $39.95. Kit contains 8 oz shampoo, 4 oz cleanser/conditioner & 90 vitamin tablets.	3rd Q
Sun In	Chattem, Inc. Chattanooga, Tenn.	Regular Hair Lightener Super Hair Lightener. New conditioning agents work either with the sun or with the heat from blow dryers.	2nd Q

Source: Marketing Intelligence Service, LTD., Naples, N.Y.

Professional hair care product launches

(Second half of 1987)

Brand Name	Manufacturer	Items	1987 Quarterly Launch Date
Sebastian	Sebastian International Woodland Hills, Calif.	Session Gel Quick drying styling aid for professional use	3rd Q
Glyde	Image Labs Los Angeles	Styling Gel adds shine & sheen to hair	3rd Q
Sebastian	Sebastian International Woodland Hills, Calif.	Systema Hair Care line: shampoo & fixative that do double duty. Shampoo cleanses & moisturizes. Fixative styles & texturizes. Also a perm and hair treatment. Plus a Systema color line: Colore Gel Hair Tint Colore Oxyde Liquid Peroxide Colore Oxyde Gel Peroxide	3rd Q
Deep Freez	Image Laboratories Los Angeles	Ultra Fine Hair Spray with Extra-Firm holding power. For the professional market	3rd Q
Vital Care Professional Super Spritz	Vital Care of North America Inc. Los Angeles	Lacquer-free, combable product for fine, thin hair. Gives body & hold.	3rd Q
All Set Aero Spritz	DeMert & Dougherty Oak Brook, Ill.	A highly concentrated fixative for scrunching, spiking, lifting hair & adding volume.	3rd Q

Source: Marketing Intelligence Service, LTD.. Naples, N.Y.

Hair care

TRENDS

Pro products, styling aids shape hair care growth

Continued from page 13

L'Oreal's Studio Line so far has juat been "fair" for H. E. Butt, but Glitzer says Stiff Stuff, although it is fairly new to her stores, has been selling very well.

Pazazz, a temporary color highlighter as well as a styling aid, has been doing well, but Colorific and Roux Fanciful have been dropped from the everyday planogram.

Professional Hair Care

"In our stores," says Glitzer, "we're selling more and more styling aids and professional hair care products."

Glitzer says Butt has "tripled" the space for its professional hair care section in the last year.

"All the brands in the department are selling so well for us that it's hard to tell you what the best ones are," she says. "The Aussie brands, the Infusium, the Demert All Set sprays, TRESemme, Stiff Stuff, they're all good movers."

Alberto Culver may be taking TRESemme into retail distribution, but Glitzer says she plans to continue at least for the foreseeable future to merchandise the line in her professional hair planogram.

Professional hair care brands currently available for mass retail distribution

Manufacturer	Product Line
Alberto Culver Professional Division	TRESemme
Alberto Culver Professional Division	Consort
DeMert & Dougherty	All Set
Duart Industries	Infusium 23
Freeman Cosmetics	Freeman Signature Salon Line
Gelle International	Merci Gelle
Modern Laboratories Inc.	Stiff Stuff
Pantresse	Reinforced & Ultra Control
Redmond Products	Australian & Aussie
Vital Care of North America Ltd.	Vital Care

Source: Beauty Brokers Inc., Dallas/Ft. Worth, Texas & Mercury Distributors, Chatsworth, Calif.

"That's where my shoppers expect to find it," she says. "I'm afraid if I move it into the general market section before Culver starts advertising it to the consumers, my regular shoppers won't know where to find it and I'll lose sales. The person who just buys mass market shampoos and conditioners may not know what TRESemme is without advertising."

At Perry Drug in Detroit, vice president for merchandising Steve Lund says that the newest launches—Salon Selectives, TRESemme and Jose Eber—are just coming into the Perry system, and so it's too soon to tell how well they'll sell.

TRESemme and Infusium, have also both been selling well as part of Perry's professional hair care set. Redmond's Aussie and Australian lines have also been selling well, with the Australian 3 Minute Miracle selling the best.

Stiff Stuff had just gotten into the Perry stores, but Lund was anticipating that "it should be good for us."

Steve Lund says his overall hair care sales have been flat, but within the category, the growth areas have been styling aids and professional hair care products.

Studio Line has been good for Perry and so has Pantene. Vidal Sassoon's new advanced formula and the L'Envie line from S. C. Johnson, however, have just been "fair", and temporary coloring products like Pazazz, Colorific and L'Oreal's hair cosmetic, Zazu have not performed well in the Perry planograms.

Professional hair care product sales in mass retail stores
(drug, food & mass merchandise stores)

	1986 $ sales (millions)	% change	1st half 1987 $ sales (millions)	% change
Professional hair care products	$400	18%	$250	25%

Source: Manufacturers and professional hair care distributors

Select professional hair care product distributors

Company	Location
Beauty Brokers Inc.	Dallas/Ft. Worth, Texas.
Gobi-Primak	East Brunswick, N.J.
Key Distributors	Los Angeles, Calif.
Richard B & B Supply	Royal Oak, Mich.
Traffic Creators/Mercury Distributors	Chatsworth, Calif.

Although there are many companies who do distribute professional hair care products, those listed here have exclusive geographic licensing arrangements with a variety of professional manufacturers.
Source: *Drug Store News* research

Hair care, second-biggest H&BA area, shows flat growth

Continued from page 13

the big story right now, buyers say, is that it has become a "fashion" category today. Buyers say that women are experimenting more with such styling aids as gels and fixatives, and they are treating their hair with more color.

According to manufacturer-sponsored consumer research, about one out of every five women currently uses three or more styling aids regularly.

According to professional hair care distributors like New Jersey-based Gobi-Primak, California-based Mercury/Traffic Creators and Texas-based Beauty Brokers, Inc., the professional hair care category has now become a bigger dollar volume segment than such segments as baby oils, baby creams, foot deodorants, adult incontinence pads, and 26 other " more traditional" drug store categories.

In fact, Stu Dolleck at Gobi-Primak in East Brunswick, N. J., estimates that professional hair care products now generate approximately $400 million in sales at the retail level.

Some brands within professional hair care are showing even stronger growth than the segment itelf. According to one professional hair care distributor, dollar sales of Alberto Culver's TRESemme professional line were up 27 percent in 1986 and they're up 29 percent in 1987 to date.

Retailers and distributors also like to rave about the above-average margins still possible with professional hair care products. Even though most retail chains discount their professional brands anywhere from 20 percent to 40 percent off the average salon retail, buyers say their everyday margins on professional hair care range from 30 percent to 45 percent.

The average hair care margin is about 28 percent, and on the price value shampoos and conditioners, it is generally less than 20 percent. Market research also shows that 62 percent of all sales in hair care are for the value priced brands.

According to an analysis done by Beauty Brokers, Inc., one 200 store mass merchandise chain cleared over $390,000 in profits last year from sales of the top 22 SKUs in its 4-foot professional hair care sets, which generated 60 percent of the total product movement. Those 22 skus included TRESemme, Redmond's Aussie, Modern Research's Stiff Stuff, Infusium 23, and DeMert's All Set.

BBI also says that last February, one warehouse for a major chain, with close to 100 stores, was shipping an average of 40 pieces of four TRESemme SKUs every 12 days to each store. Since then, says BBI, TRESemme's movement in that chain and others has been increasing "daily."

BBI and other distributors also report that the daily movements of Stiff Stuff, Redmond's Aussie line, Demert's All Set and Infusium 23 are all increasing rapidly.

Another smaller 45 unit chain, says BBI, moved over 4500 pieces of the 8-ounce size Stiff Stuff in a quarter. For that same time period, that chain also shipped over 3,500 pieces of the 8-ounce Aussie Sprunch Spray.

BBI also says one "progressive" drug chain generated $4 million in retail sales last year from the professional hair care lines carried in their 100 stores.

Jim Kyle, who buys hair care brands for Tom Thumb/ Page Food & Drug stores in Dallas says that professional products generally average between 14 and 15 turns a year in his stores. Sources for conventional or traditional drug store chains say their stores average about 10 to ll turns a year for professional hair care products.

In terms of overall performance within hair care, BBI points out that just in the styling aids category, for example, professional hair care products generate 17.5 percent of all sales, but contribute 28.2 percent to gross profits.

In the shampoo and conditioner category, professional hair care products generate 18 percent of total sales, but account for 26.5 percent of profits.

BBI's Lynne Cerveny also points out that many of the chains that BBI surveys only have professional hair care products in limited distribution, generally just in the higher volume stores.

The percentages contributed by professional hair care products, she points out, will be even greater, when all the brands are in full distribution at the drug, food, and mass merchandise store level.

Beauty salon sales predicted to hit $21B

Beauty salon sales are expected to increase 6.5 percent to $21.2 billion in 1987, according to an industry survey conducted by Audits & Surveys for "American Salon".

The growth rate, however, is substantially below the 13.3 percent increase registered in 1986, and the 9.4 percent gain in 1985.

Beauty salon retail sales of professional hair care products is the fastest growing segment in the salon industry, Audits & Surveys says.

Retail sales of professional hair and nail care products in salons are expected to increase 10 percent this year to $1.3 billion.

Sales of professional products in salons increased 11.3 percent in 1986.

In the salon industry, sales from women's services (cuts, manicures, and the like) are expected to increase 6 percent to $17.2 billion in 1987, while sales from men's services are expected to increase 8 percent to $2.7 billion.

Audits & Surveys says manicuring will be the fastest growing service segment this year, up a projected 31 percent to $545 million for women, and up 20 percent to $60 million for men.

Slight declines are projected for women's skin care, which surged 165 percent to $162 million in 1986, and for men's perming, where volume is projected at $500 million for 1987.

Robert Rhoades, a vice president at Audits & Surveys, says there is still explosive growth in hair coloring, which today represents about 25 percent of total salon sales.

"This trend has been spurred by the maturing of the baby boom generation," he said, "and by the development of new types of temporary coloring for special effects."

Rhoades also said that in 1987, the total number of services performed in salons will outpace the growth in dollar volume.

While approximately 124 million services will be performed, he said, the average customer ticket will drop slightly to $13 for women and $14 for men.

The slower rate of growth in dollar volume, Rhoades said, is the result of lower inflation and stronger competition among the increasing number of beauty salon shops.

Ethnic TRENDS

Ethnic category cool, but some products still sizzle

While drug chain buyers are reporting that their overall sales are either flat or down in the ethnic products category, there are some segments that they are classifying as "hot."

Hair styling and conditioning products, for example, are outperforming the ethnic category as a whole just as they are doing in the general market hair care category.

Hair coloring products and products that add shine and shimmer to the hair are also still doing extremely well, say buyers, and so are such categories as ethnic cosmetics, skin care products with cocoa butter, toiletries and cosmetics made with "natural" ingredients, ethnic hosiery, and even ethnic greeting cards.

Among the chains that have expanded space for ethnic cosmetic lines like Posner, Zuri and Ultra Sheen are the following: Walgreens, Rite Aid, Phar-Mor, Eckerd, Pay Less, and Thrifty.

Chains that are adding new ethnic cosmetic lines to their planograms include Woolworth's Rx Place, Peoples, Rite Aid, Pic 'n Save, and Standard Drug of Virginia.

Some chains like Walgreen's, Peoples, and SupeRx are trying to court Black and Hispanic shoppers by tailoring their product mix in ethnic neighborhood stores to the needs of that marketplace.

Frequently, that means adding such lines as ethnic hosiery and ethnic greeting cards to the product mix.

Buyers say that such lines make Black and Hispanic customers feel "wanted" by the stores in their neighborhood. Buyers also say that there is a need for such things as shaving items, soaps, skin creams, color cosmetics, and hosiery that are designed to meet the specific needs of Black and Hispanic shoppers.

"Ethnic cosmetics provide a broader range of shades for Black skin," said one buyer for a southwestern drug chain. "Ethnic hosiery also has a broader range of shades as well as a wider variety of sizes and shapes for Black women."

A number of chains have also begun to add hair and skin care products with "all natural" ingredients to their product mix in ethnic stores. Walgreen's started the trend a couple of years ago by giving away free samples of the All Ways Natural hair and skin care products.

Today SupeRx, Thrifty

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Growth in ethnic* cosmetic sales

Distribution channel	Retail Dollar Sales (millions) 1987 Proj.	1986 Est.	% change
Department stores	$125.0	$108.0	(14%)
Drug stores	75.0	108.0	44
Variety/discount stores	37.5	48.5	29
Salons/beauty & barber supply shops	12.5	13.5	8
Total sales	250.0	270.0	8

*Cosmetics that are specifically manufactured for and marketed to black consumers. Does not include sales of the darker shades in general market cosmetic lines to black shoppers.

Source: Nielsen Marketing Services

Answers to consumers' questions on ethnic hair care products

All Ways Natural Industries, Inc. offers the following information to help store personnel answer consumer questions on ethnic hair care.

1. What kind of shampoo should a Black consumer use on dry or brittle hair?

Your Black customers should use shampoos specifically designed for textured hair. They should avoid all-purpose shampoos which tend to strip textured hair of its natural oils.

2. What's the difference between an instant conditioner and a deep-penetrating conditioner?

An instant conditioner temporarily changes the texture of hair by coating the hair shaft. Your customers should use such conditioners after every washing and they should keep it in their hair for several minutes before rinsing out. Deep penetrating conditioners penetrate the hair shaft to rebuild lost elasticity. They also assist in the replacement of lost moisture. Deep penetrating conditioners are particularly excellent for hair that has been chemically processed and heat styled.

3. Why is hair for Black people considered more "delicate" than hair for Caucasians, and why does it require special treatment?

Because Black hair has a natural curled structure, the scalp's natural oils have difficulty spreading throughout the hair to protect and moisturize. Therefore hair for Black people has a tendency to be dry and to be more susceptible to breakage.

Relaxing and heat styling also add unwanted pressure to the hair. Ethnic hair and scalp treatments, therefore, provide the essential treatments that textured hair requires.

4. What does chemical processing like relaxing and color treating do to hair?

It can significantly weaken hair, plus it can also deplete the hair, as well as the scalp, of natural oils.

5. What can be done to reduce damage from chemical processing?

Your customers should always read the directions on every package, and follow them carefully. Black consumers should also condition their hair on a regular basis. And they should use hair care products without harmful chemicals. Products that are naturally formulated with herbs and oils are specifically designed to replenish textured hair.

6. What's the best hair and scalp treatment for Black hair?

Hair and scalp treatments that can be used daily, between washings, to provide moisture and to condition the hair while adding sheen. Recommend formulas without mineral oils because they can clog pores.

Many manufacturers today have light as well as regular formulas for their treatment products.

7. Is it really necessary for a Black consumer to use a hair protectant when they blow dry or heat style their hair?

Yes. Blacks should always use some type of lotion or moisturizer before applying heat to their hair to avoid damage. The best products to recommend are those specifically designed for use with heat appliances. Two examples are Pro Line's Soft & Beautiful Blow Dry Conditioner and the All Ways Natural Instant Conditioning Treatment.

The following list of consumer concerns was tallied by P. Hunter Associates Marketing Research.

1. *Dry scalp*--Black consumers want products that condition the hair and scalp, but are also good for styling and managability.
2. *Dandruff*—Black consumers desire shampoos and conditioners that will control this problem, without drying the hair out in the process.
3. *Hair Breakage*—Black consumers want products that will help hair grow, even when it has been curled or relaxed.
4. *Price* is a consideration with Black consumers planning H&BA purchases, but it is not a key decision element. Most important to Black consumers is: Does the product work?

Merchandising challenge posed by slow ethnic sales

Buyers say they are hard-pressed to create profitable merchandising programs for the ethnic products category due to "the lack of something new and exciting to spark sales" in the hair care segment, they report.

They cited changing styles, with the curl look having peaked, as leading to sales lags.

Nevertheless, particular product categories continue to show promise, *Drug Store News* has learned.

These hot items include:

- maintenance and styling hair products,
- conditioners,
- gels,
- pomades, and
- products that add shine and shimmer to the hair.

In cosmetics, the growth areas are:

- face make-ups, particularly the liquid and the translucent make-ups, and
- brighter shades of color cosmetics, especially in nail and lip.

Share of ethnic cosmetic sales by category segment

Segment	1987 Projected sales (millions)	1987 Share	1988 Estimated sales (millions)	1988 % change	1988 Share
Lip color	$ 62.5	25%	$ 67.5	7%	25%
Nail enamel	47.5	19	40.5	(16)	15
Pressed & loose powder	45.0	18	54.0	20	20
Liquid makeup	45.0	18	54.0	20	20
Powder blush	25.0	10	27.0	8	10
Eye liners	12.5	5	13.5	8	5
Eye shadows	12.5	5	13.5	8	5
Total	$250.0	100%	$270.0	8%	100%

Source: Posner Laboratories, South Plainfield, N.J.

This year, buyers are not talking about expanding the ethnic product category much or of adding it to many new stores. However, they still report that ethnic product sales are strong "in stores within ethnic neighborhoods."

Many buyers say that in ethnic neighborhood stores, ethnic health and beauty aid sales are a "big business" and one that is still doing "very well" for chain drug stores.

At Perry Drug in Detroit, vp-merchandising Steve Lund hopes for something to happen soon that will "breathe life into the ethnic category."

Lund says that there haven't been any new product launches recently that have stirred up the category, and he adds that although sales of the Care Free Curl line are still good, "everything else is kind of static."

Still Lund says that Perry stores do relatively well with the ethnic products category. Lund points out that Detroit, Perry's home town, is the second largest ethnic market in the country.

Lund says that Perry is seeing some growth in ethnic, but it's primarily because Perry is taking a stronger position in the category.

About half of all Perry stores now have ethnic departments, and Lund says the chain is advertising the category on the radio more, giving ethnic products monthly in-store off-shelf promotional display space.

Lund is also trying to build up his sales of ethnic cosmetics, and while he says the Posner and Ultra Sheen lines are doing all right in his stores, he wishes that ethnic cosmetic manufacturers would do more to provide the mass retailer with "a full well rounded cosmetic line that would be the equivalent of Fashion Flair or Flori Roberts in department stores."

He says his strongest sales in cosmetics now are in lip and nail, but that the general merchandise color lines like L'Oreal and Revlon also sell well in his ethnic stores.

"I'd love to expand into a six- or eight-foot ethnic cosmetics section if someone could just give me a good, strong line that could fill up all that space," he says.

At Begley Drug in Kentucky, Billie Carpenter, the ethnic hair care buyer, re-

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TRENDS | Ethnic

Ethnic category cool, but some products still sizzle

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Drug, Pathmark, Family Dollar Stores, Duane Reade, and Woolworth have all carried some of the All Ways Natural brands in select stores, and most of these chains frequently let sales reps come in and give away free samples of the All Ways Natural products.

Brian Marks, vp-marketing for All Ways Natural, says that individual stores report sales increases of between 25 percent and 45 percent on average after a sampling program.

According to manufacturers whose ethnic skin and cosmetic lines are doing well in upscale department stores like Bloomingdale's and A & S, there is a "tremendous need" for ethnic skin care and ethnic cosmetics because "Black skin is especially sensitive to the environment."

"Black skin needs gentle but effective products because it is so sensitive," says Naomi Sims, a model and author of beauty and fashion books who has her own line of ethnic treatment and cosmetic products.

Terry Hagertu, vp and merchandise manager for cosmetics at Saks department stores in New York says that ethnic cosmetics and skin treatment lines are selling very well at Saks.

"Foundations for dark women have been a major

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Share of ethnic cosmetic sales by retail segment

Retail Segment	Share of Ethnic Cosmetic Sales 1987 Proj	1988 Est.
Department stores	50%	40%
Drug stores	30	40
Variety/discount stores	15	15
Salons/beauty & barber supply shops	5	5

Source: Posner Laboratories, South Plainfield, N.J.

Growth in ethnic liquid makeup unit sales

Year	Unit Sales (millions)	% change
1984	100	—
1985	130	30%
1986	187	44
1987 Est.	236	26
1988 Proj.	262	11

Source: Posner Laboratories, South Plainfield, N.J.

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Merchants challenged by slow sales

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ports that sales in her ethnic sections are not growing as fast as they once were.

"Consumers," she says, "seem to be getting bored with the curl look," and nothing very exciting has come along to replace it.

"In fact, so far this year, there has really been nothing new that's come out that's done well."

Best Performers

Carpenter says TCB's Lite Gel has performed well for Begley this year, but TCB Lite, she says, "is new to Begley stores, but not new to the category this year.

"Elastatare has done well for us. It's a hair straightener, but that's also over a year old. Palmer's No Blade Shave is doing well, but that's also been out about a year. There's nothing very dramatic about the new entries in this segment this year."

Carpenter says that Begley has begun advertising the ethnic category about once a month, and that strategy has helped. "We can see the ads are bringing more customers in," she says.

Begley has also been doing more brand family advertising. "In one recent ad," she said, "we featured any two Curl Free products for $5. We did something similar with TCB because they also have a full line."

Carpenter says that Begley has benefitted from the family ad approach in several ways. "We're letting the customer know that we're a presence in the category," she says, "and we're encouraging multiple sales, which helps us increase our overall dollar volume per store."

Begley is also planning to support regular schools for their cosmeticians so they can learn more about the various ethnic products in their stores.

"We use a distributor for our ethnic lines, and they would set up the schools for

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TRENDS | Ethnic

Ethnic category cool, but some products still sizzle

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void," she says.

Many ethnic distributors and ethnic buyers say they agree with Hagerty who points out that mass market cosmetics can turn "chalky" on Black skin. Hagerty says the "big" market for retailers with ethnic lines will be in the "color choices and color correctors."

Face make-ups 'fastest'

At Posner Labs in South Plainfield, N. J., their marketing department says that in mass market stores, the face make-ups are showing the fastest growth.

"The general market companies are now doing pale shades for the face," says a Posner spokeswomam.

"But the Black market is usually ahead of the mass market by some 18 months, and the women in this marketplace are going with the bright shades."

Manufacturers like Posner and most ethnic buyers and distributors also report that the liquid make-ups are selling the strongest this season.

Translucent make-ups are particularly strong in the ethnic category, while pressed powders are also outperforming the category as a whole.

One buyer said she felt this was because many Black women today are going for "a more completed look. Liquid make-up," she said, "can smooth out the complexion and correct irregularities as well as act as a base to build a look on."

Growth in ethnic moisturizing lip color unit sales

Year	Unit Sales (millions)	% change
1985	100	—
1986	110	10%
1987 Est.	120	9
1988 Proj.	125	4

Source: Posner Laboratories, South Plainfield, N.J.

Growth in ethnic pressed powder unit sales

Year	Unit Sales (millions)	% change
1984	100	—
1985	119	19%
1986	137	15
1987 Est.	170	24
1988 Proj.	190	12

Source: Posner Laboratories, South Plainfield, N.J.

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Merchants challenged by slow sales

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us," said Carpenter. "But we'd set aside a day or two and the distributor would arrange for a manufacturer to come in to educate our cosmeticians on their products."

In certain stores in select neighborhoods, the Austin Drug chain in the New York market goes to great lengths to make its ethnic set look "beautiful" for its shoppers.

Buyer Marlene Isaacson says she carries a full line of shaving creams and hair care products as well as the Flori Roberts department store line of ethnic cosmetics.

"We're doing well with the Flori Roberts line," Isaacson says. "We've had it now for several years in our Lawrence, N. Y., store, and sales are increasing."

Isaacson says Austin put the Flori Roberts line into its Lawrence store because customers in that area "asked for it. We had a call for it and so we put it in," she says, "and sales have been beautiful."

Austin also carries the Flori Roberts ethnic skin treatment line. It is not merchandised in Austin's ethnic department, however, but behind the counter next to other department store skin care brands like Cosmair's Lancome.

"It's done very well for us," says Isaacson, "Its sales are comparable to our sales for Ultima II or Estee Lauder."

Austin is one of the few drug chains in the nation to carry an extensive selection of department store lines such as Lauder and Lancome.

Isaacson says that in time, Austin may expand the Flori Roberts line "to other select stores if we have enough customers who ask for it."

Austin also trains its cosmetic sales clerks to really know the differences in the products they sell. The chain sponsors seminars and engages in extensive on-the-job training.

"I think it's important for our cosmetic clerks to know the products, so they can give the best assistance to our customers," says Isaacson.

INSIDE PHARMACY

Comparison between information pharmacist would like to receive and what they are actually receiving

	Would like to receive	Currently receiving
Warnings on possible drug interactions	85%	27%
Instructions for advising patients on how to use the products	85	59
Warnings about possible adverse reactions	88	40
Information about how this product is unique	76	57
Insight into what the manufacturer is telling physicians about this product	70	51
Information about why the cost of the product is justified	62	13
A listing of the product's competitive disadvantages	54	10
A listing of the product's competitive advantages	58	68
If a new product, how well it did in clinical testing	27	30
All other mentions	4	—
Don't know/no answer	2	9

Note: Percentages do not add to 100% due to multiple responses
Source: Lebhar-Friedman Research

Steady info flow on drugs

Pharmacists who want more frequent visits from manufactuers' reps are getting satisfaction, but the desired number visits to chains is still below that of independents.

According to *Drug Store News'* 1987 **Rx Detailing Study**, manufacturers' reps are apparently listening to pharmacists who request more frequent visits to their store. The study of over 600 pharmacists nationwide showed that 59 percent of the pharmacists surveryed, in both chain and independent stores, said they saw a detail person once a month or more this year, compared to 55 percent who reported the same frequency last year. The report further uncovered that virtually all the pharmacists (98 percent) see a detail person at least once a year.

While the upswing in store visits satisfies the needs of most independents, it still doesn't meet the chain pharmacists' number of desired visits—consistent with last year's results,

Less than half (45 percent) of the independents answering the survey said that they would like to see a detail person "once a month or more," while 60 percent of the chain pharmacists desired a monthly or more frequent visit.

While the majority of pharmacists (56 percent) said they were satisfied with the frequency of visits, they were nearly split on the issue of more or less visits. The survey showed that 22 percent of pharmacists desired more frequent visits, while 20 percent said that they wanted to see a detail person less often.

More than half of the respondents said the major reason they would like more visits was to be briefed by manufactuers' reps on new products and to be updated on existing ones.

"We need to be aware of new drugs coming out on the market and what the drug reps are detailing to the physicians," commented one chain pharmacist.

"I like to be kept informed on new drugs, new delivery systems, new dosage forms, new strengths available, etc." said another.

Other pharmacists (38 percent) said they need more visits from detailers to handle returns, overstocks, outdated merchandise and to maintain a strict inventory control, while another 20 percent pointed to the detail person as a provider of "information on products being detailed."

One independent had this comment: "We currently service a nursing home and are constantly in need of the latest information about new products and deals."

Other reasons for wanting to see manufactuers' reps were to gather new information on indications and dosage forms of various medications (reported by 4 percent of the pharmacists), to get follow-up information about older drugs already in the marketplace (2 percent of the pharmacists), and to receive free samples/gifts (reported by 2 percent of the pharmacists).

Only a handful (2 percent) of the pharmacists surveyed said they have no need to see a detail person.

One chain pharmacist said that seeing a detail person was a "waste of their time and ours reselling the same products," while another said that "chain stores do not do any direct buying. Detail men are trying to get commission sales. Since I can't order, I feel my time is being wasted."

Another said that he doesn't need a detail person to give him a biased presentation on the drugs his company manufactuers.

"I'm a professional who keeps current with unbiased resources regarding drugs."

And a fairly common complaint was voiced by one independent who suggested that detail people should only visit drug stores at the convenience of the pharmacist.

"I would like them to visit the store when it's convenient

Continued on page IP19

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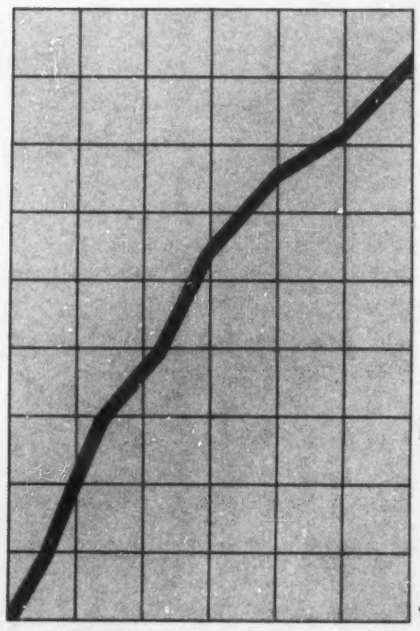

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INSIDE PHARMACY

is key Rxer need

Continued from page IP18

for us to see them. An appointment would be a step in the right direction," the independent said.

Pharmacists said that the three most important pieces of information they needed from the reps were warnings about possible adverse reactions, instructions for advising patients on how to use the product, and warnings on possible drug interactions.

Instead, the survey revealed that the reps are coming into the stores armed with the wrong ammunition. While 88 percent of the pharmacists considered warnings about possible adverse reactions as the single most important piece of information they can get from a detail person, less than half (40 percent) of that same group said they were not receiving that information.

The story is even worse for warnings on possible drug interactions. In that category, 85 percent of the pharmacists said they wanted that information, but only 27 percent said they were receiving it.

While 58 percent of the pharmacists said they wanted a listing of a product's competitive advantages, 68 percent reported receiving that kind of information from the reps. For statistics on how often physicians prescribe a particular product (important to 27 percent of the pharmacists), 30 percent said they are getting that kind of information during the reps' visits.

Companies doing the best job

Topping the list was Lilly/ Dista. More than a third (34 percent) of the pharmacists reported they saw a rep from Lilly/ Dista once every two months or more often. Other companies that did a good job of visiting pharmacists included Upjohn (reported by 25 percent of the pharmacists), Parke Davis (23 percent), Wyeth (20 percent), Searle (20 percent) and Merck Sharpe & Dohme (20 percent).

New product introductions

More than half (52 percent) of the pharmacists surveyed said that having a product readily available was their main reason for taking in new product introductions, consistent with last year's results.

Just under half (49 percent) of the pharmacists thought uniqueness an important factor in stocking a new product introduction.

More than half of the sample (57 percent) said they would *not* accept an automatic shipment of a new product, 40 percent said they would, and 3 percent had no answer.

When asked why he did not accept a new product, one Southern chain pharmacist answered: "I do not want every new drug that comes out. I wait to see for myself if I think it is worth adding."

Another was concerned that the product would "just sit on our shelves" if the product were not detailed to the physicians.

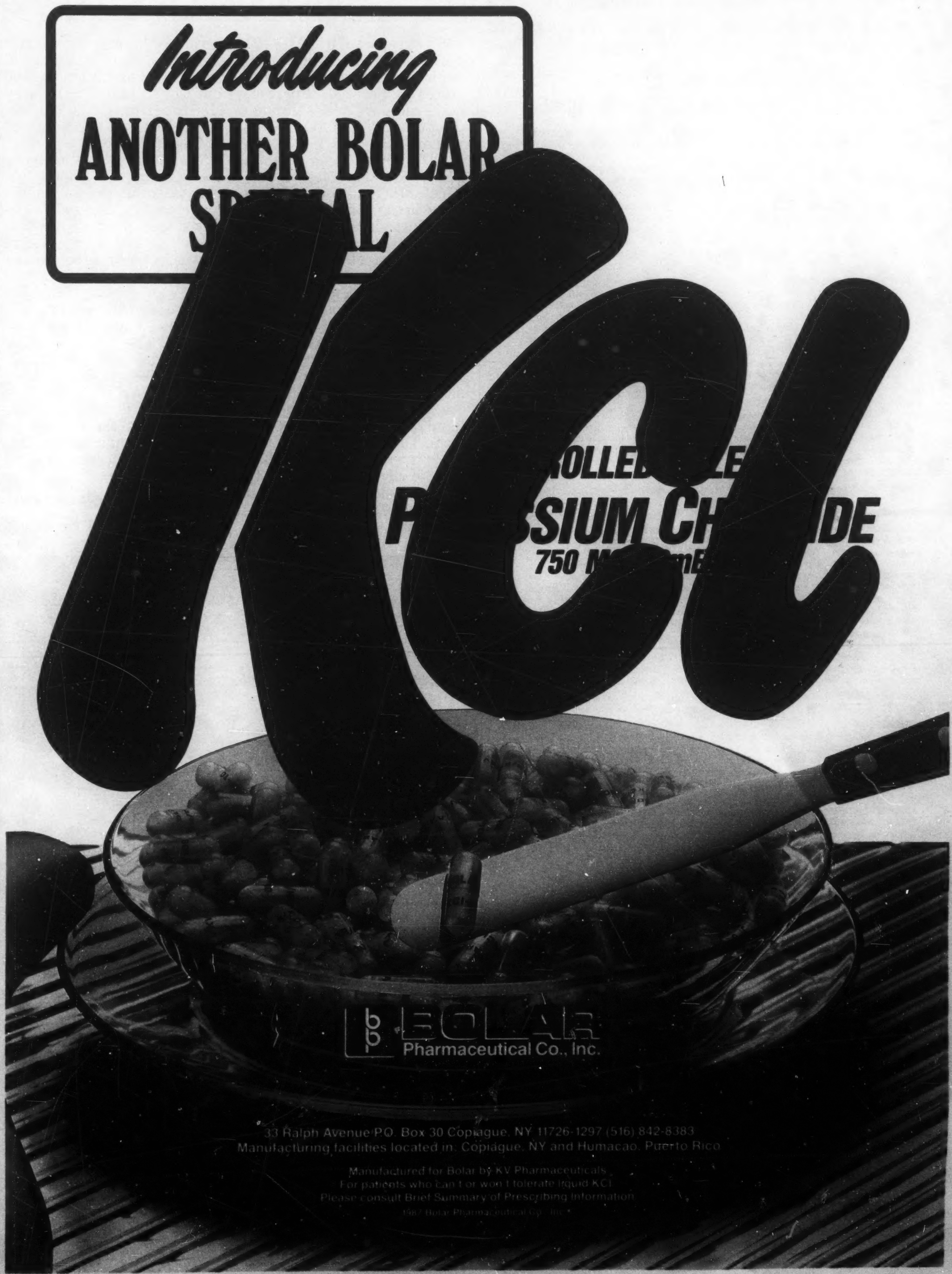
One chain pharmacist said that she would accept automatic shipments sometimes "if the rep is someone I know and trust."

But for one Washington independent, automatic shipments help in "keeping up with new products that the wholesaler won't have for several months."

Usual interval pharmacists see detail person

	1986		1987	
	Chain	Independent	Chain	Independent
Once a month or more	50%	50%	59%	59%
Once every two months	23	31	20	24
Once every 3-6 months	17	14	15	9
Less than once every 6 months	7	3	5	5
Never	2	1	1	1
Don't know/no answer	—	—	1	2

Note: Percentages may not add to 100% or to nets due to rounding
Source: Lebhar-Friedman Research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